



CITY OF DURHAM | NORTH CAROLINA

Date: January 18, 2010

To: Thomas J. Bonfield, City Manager

Through: Theodore L. Voorhees, Deputy City Manager

From: Joel V. Reitzer, Jr., Director, General Services Department
Al Walker, Sr. Business Services Manager, General Services Department

Re: **FY 2010-11 CIP Budget Amendment Requests for CIP Ordinance #14025**

Executive Summary

The General Services Department requests an amendment to the Capital Improvements Program (CIP) Ordinance #14025 to reallocate authorized and unused funding from the following projects to fully fund other projects.

1. The General Services Department requests that excess funds from Fire Station #15 be reallocated to fund construction for Fire Station 9.
2. The General Services Department requests that excess funds from the SWM Garage Renovation Project, the Durham Yard Waste Facility project and the SWM Land Clearing and Inert Debris (LCID) Landfill Closure Project be used to fund necessary repair work at the SWM Transfer Station.
3. The General Services Department requests reallocation of funds within the Multi-Site Park Renovation bundle. The proposed reallocation would not increase or decrease the overall funding of the Multi-Site Park Renovation bundle.
4. The General Services Department requests an amendment to reallocate a portion of the authorized and unused funding from Weaver Street Recreation Center Upgrades, Hillside Park/W.D. Hill Recreation Center Upgrades and Rock Quarry Park/Edison Johnson Recreation Center Upgrades to fully fund the Campus Hills Park/I.R. Holmes Recreation Center Upgrades project. The proposed reallocation would not increase or decrease the overall funding of the Recreation Center Bundle.

Recommendation

The General Services Department recommends that the City Council adopt an ordinance amending the General Capital Project Ordinance, Fiscal Year 2010-2011, the same being Ordinance #14025. These amendments allow for the accurate recording of adjustments to capital projects. The net effect of the changes to the CIP ordinance will be zero.

A summary of all changes for impacted operating funds is shown in the table below:

Fire Station #9		Re-Allocated Funding
	Installment Sales – FS #15	\$214,979.00
	LOBS – FS #15	\$1,227,984.00
Total		\$1,442,963.00

SWM Transfer Station		Re-Allocated Funding
	2009 LOBS – SWM Garage Renovations	\$240,075.00
	General Fund – LCID	\$185,948.00
	2008 2/3rds Bonds – Yard waste Facility	\$280,452.00
Total		\$706,475.00

Multi-Site Parks		Re-Allocated Funding
	2005 General Obligation Bonds	\$850,652.00
Total		\$850,652.00

IR Holmes/Campus Hills		Re-Allocated Funding
	2005 GOB - Weaver St. Recreation Ctr	\$62,780.00
	2005 GOB - Hillside Park/W.D. Hill	\$228,579.00
	2005 GOB - Rock Quarry/Edison Johnson	\$513,167.00
	General Fund – Rock Quarry/Edison Johnson	\$127,872.00
Total		\$932,398.00

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Background

In 2003, the City contracted with engineering firm Carter Burgess, Inc., to complete a comprehensive City facility condition assessment. The purpose of the study was to identify work needed in City facilities due to deferred maintenance, cyclic maintenance and component renewal.

The Capital Improvement Program (CIP) is a statement of the City of Durham's policy regarding long-range physical development. It is vital to the City because it is the principal planning tool designed to achieve urban growth and development. This program is developed for a six year period and is updated and revised annually. In order to be included

in the CIP, the project requires a total expenditure of at least \$100,000 and a useful life of at least 10 years.

By providing a planned schedule, cost estimates, and location of public sector improvements, the Capital Improvement Program provides private sector decision makers with valuable information upon which to base investment decisions. It also provides local elected officials and the public with valuable information concerning proposed public facilities and their associated costs. Ultimately, this coordination of orderly and efficient programs of private and public investment will benefit the City.

Issues/Analysis

1. Construction of Fire Station 9 will accomplish City and Fire Department goals including:
 - a) Serve as the City's fifth ladder company when additional personnel are approved
 - b) Increase service to the district with quicker response, full effective force and better response routes into high call volume areas
 - c) Provide a well positioned location for future annexation growth areas

2. The City of Durham Solid Waste Transfer Station was built to be a temporary solution and is reaching its capacity and usefulness. Because of the exposed re-bar and low areas inside the building, cracks in the outside concrete entrance apron, and the failure of the trench drain structure, there is a concern that a notice of violation could be issued by the NC Division of Environmental and Natural Resources (NC-DENR). Accordingly, repairs are currently under design. Continued heavy use will further deteriorate the facility.

The ability to provide Solid Waste Management Disposal Services for the City of Durham residents and businesses must continue to expand as the City grows. The Transfer Station Master Plan and Disposal Site Development Plan, a schematic design completed in April 2010 for \$9,000, was the first step in an effort to understand the City's long range disposal options. A qualifications-based process to select a consultant to serve as "owner's representative" is under way. This will result in the development of various disposal alternatives that may be implemented in phases over a period of several years. Funding is required at this time in order to proceed with this project.

3. Seven of the 17 Multi-Site Park Renovation parks (Sherwood Park, C.R. Woods Park, Piney Wood Park, Old Farm Park, Burton Park, Garrett Road Park, West Point on the Eno), are under budget due to one or more of the following:
 - a) Full design services were not required.
 - b) A portion of the deferred maintenance scope is being performed by the Facilities Operations and Landscape Services Divisions of the General Services Department.
 - c) The General Services Department is bidding out the remainder of the deferred maintenance scope not completed by Facilities Operations or Landscape Services.
 - d) The current favorable bidding environment.

The following Multi-Site Park Renovation parks (White Oak Park, Grant Street Park, and Shady Oaks Park) have been completed with leftover funding due to the following:

- a) Full design services were not required.
- b) A large portion of the scope was completed by the Facilities Operations and Landscape Services Divisions of the General Services Department.

East Durham Playground Improvements, Cornwallis Road Park Playground Improvements and Westover Park Playground Improvements have been completed with leftover funding.

Five of the Multi-Site Park Renovation parks (Forest Hills Park, Southern Boundaries Park, Crest Street Park, Morreene Road Park and Lake Michie Park) have budget shortfalls due to higher than expected cost estimates for the approved scope of deferred maintenance items.

4. On September 25, 2009, the General Services Department proposed not referring the CMAR amendment #2 for agenda item # 6506 to City Council, and instead recommended competitive bidding for Weaver, Hillside and Rock Quarry as single-prime. As a result of competitive bidding in November of 2009, the City saved enough money in construction costs to fund the budget deficits for Campus Hills
5. As part of the facility upgrades, this project addresses the Americans with Disabilities Act ("ADA"). In 2005, the City reached an agreement with the U. S. Department of Justice ("DOJ") to address specific, existing physical and programmatic barriers in City facilities that were alleged to be in violation of the ADA. The DOJ- ADA portion of the upgrades was funded with 2005 General Obligation Bond Funds set aside specifically for DOJ- ADA upgrades. Additional (non-DOJ) ADA related upgrades were included in the project as required by the ADA Accessibility Code of North Carolina.

Alternatives

The Budget Ordinance Amendment is required in order to proceed with the previously approved CIP improvements; therefore, no viable alternatives exist.

Financial Impacts

Fire Station 9 (CB007)

Project Funding Sources:

Installment Sales		\$2,878,637.00
CIP Ordinance Amendment (re-allocation of FS15 funds)	3501B950-764000-CB006	\$1,227,984.00
CIP Ordinance Amendment (re-allocation of FS15 funds)	3501B900-764000-CB006	\$214,979.00
Total		\$4,321,600.00

Funding Uses Summary:

Design		
Design Services		\$213,301.00
Design Contingency		\$32,000.00
Subtotal		\$245,301.00
Fire Truck and Equipment		\$1,000,000.00
Land Acquisition		\$231,458.00
Other Owner's Expenses		\$363,141.00
Construction Budget		\$2,158,000.00
Construction Contingency		\$323,700.00
Subtotal		\$4,076,299.00
Total Project Budget		\$4,321,600.00

Solid Waste Transfer Station (CM001)

Project Funding Sources:

2005 GO Bonds		\$2,790.00
2008 2/3 Bonds		\$115.00
Installment Sales for SWM Garage Renovations	3307M950-764000-CM005	\$240,075.00
Intergovernmental for LCID Landfill Closure	3307M000-764000-CM002	\$185,948.00
Bonds for SWM Yard Waste Facility	3307M980-764000-CM004	\$280,452.00
Total		\$709,380.00

Funding Uses Summary:

Renovation of existing facility		\$459,380.00
Schematic and Design Development of New Facility		\$200,000.00
Owner Contingency		\$50,000.00
Total		\$709,380.00

Multi-Site Parks Project

Financial Impact:

Current and Proposed Project Funding from 2005 GO Bonds:

<i>Park Site</i>	<i>Current Project</i>	<i>Proposed Project</i>	<i>Variance</i>
1) Burton Park	\$295,000.00	\$267,243.00	\$27,757.00
2) C.R. Wood Park	\$250,000.00	\$183,787.00	\$66,213.00
3) Crest Street Park	\$278,000.00	\$298,122.00	(\$20,122.00)
4) Forest Hills Park	\$532,000.00	\$612,886.00	(\$80,886.00)
5) Garrett Road Park	\$645,000.00	\$501,819.00	\$143,181.00
6) Grant Street Park	\$114,063.00	\$33,558.00	\$80,505.00
7) Lake Michie Parks	\$452,566.00	\$868,710.00	(\$416,144.00)

(Includes Lake Michie Boathouse, Little River Fishing Facility and Spruce Pine Lodge)			
8) Morreene Road Park	\$415,000.00	653,673.00	(\$238,673.00)
9) Old Farm Park	\$151,000.00	\$84,196.00	\$67,352.00
10) Piney Wood Park	\$406,000.00	\$371,619.00	\$33,833.00
11) Shady Oaks Park	\$42,624.00	\$12,713.00	\$29,911.00
12) Sherwood Park	\$687,000.00	\$401,416.00	\$285,584.00
13) Southern Boundaries Park	\$110,000.00	\$204,827.00	(\$94,827.00)
14) West Point on the Eno Park	\$291,400.00	\$235,677.00	\$55,723.00
15) White Oak Park	\$44,347.00	\$13,504.00	\$30,843.00
16) East Durham Park*	\$190,000.00	\$185,939.00	\$4,061.00
17) Cornwallis Road Park*	\$198,630.00	\$177,781.00	\$20,849.00
18) Westover Park*	\$190,000.00	\$185,160.00	\$4,840.00
Total	\$5,292,630.00	\$5,292,630.00	\$0

* Parks that are a part of the Playground Renovations bundle.

Campus Hills/I.R. Holmes Recreation Center (CH020/CH025)

Project Funding Sources:

2005 GO Bonds	Encumbered Funds CH025	\$165,199.00
2005 GO Bonds	3000H901-CH020	\$38.00
Transfer from General Fund	3000H000-CH020	\$4,327.00
2005 GO Bonds	3000H901-CH025	\$644,801.00
2005 GO Bonds – ADA	3000H901-CH203	\$19,749.00
2005 GO Bonds – Weaver St.	3000H901-764000-CH150	\$62,780.00
2005 GO Bonds – Hillside Park	3000H901-764000-CH300	\$228,579.00
2005 GO Bonds – Rock Quarry	3000H901-764000-CH260	\$513,167.00
Transfer from GF – Rock Quarry	3000H000-764000-CH260	\$127,872.00
Total		\$1,766,512.00

Funding Uses Summary:

Professional Services		\$146,575.00
Owner's Expenses*		\$24,423.00
Owner Contingency-Design		\$12,743.00
Owner Contingency-Construction		\$160,000.00
Construction		\$1,422,771.00
Total		\$1,766,512.00

* Owner's Expenses include but are not limited to Property Acquisition, Permits, Surveys, Engineering Services and Reviews.

SDBE SUMMARY

There are no SDBE issues with regard to this item.

Attachments:

Ordinance amending the General Capital Project Ordinance, Fiscal Year 2011, the same being Ordinance #14025